

# **Metholodology: Consumer Price Index**

## **Consumer Price Index St. Maarten**

### **What does the survey comprise?**

#### **Purpose**

Quarterly publication of developments in prices of goods and services purchased by consumers on St. Maarten. The price development is presented by means of a consumer price index (CPI). The percentage change of the CPI in the period under review compared with the same period in the previous year indicates to which extend life has become more expensive or cheaper.

#### **Target population**

Consumer goods and services purchased by households on St. Maarten.

#### **Statistical unit**

Consumer goods and services.

#### **Year survey started**

2018

#### **Frequency**

Quarterly

#### **Publication strategy**

The figures for the most recent quarter are provisional. They become definite as soon as figures for the new quarter are published.

### **How is the survey conducted?**

#### **Survey type**

The survey is based on monthly price observations at companies and institutions which supply goods and services to consumers. The monthly observations are used to calculate average prices per quarter. Price indices of product groups are calculated based on the quarterly average prices. The price indices of product groups are aggregated to calculate the CPI.

#### **Survey method**

STAT observes the prices by visiting shops, but also by means of written surveys, internet surveys and external registrations.

## Respondents

Companies, institutions, associations and government. For the collection of rentals, personal information is processed.

## Sample size

On St. Maarten prices are collected for about 5400 different goods and services at around 108 respondents.

## Checking and correction methods

STAT checks the completeness and plausibility of the collected data. In the case of incorrect or missing data, respondents are contacted. In the case of non-response, data is imputed based on the observed information. If a defined product undergoes changes, its price can be adjusted considering the quality between the former and the new product versions.

## Weighting

Developments in prices are calculated based on a package of goods and services. Each item in this package is assigned a weight that reflects how important it is in the consumption pattern of the residents on St. Maarten. The weighting factors of the various items in the CPI were initially determined based on the Budget survey of the Netherlands Antilles held in 2004/2005. Since 2018 the weighting factors are based on the Budget survey held on Bonaire, St Eustatius and Saba in 2015. In 2018 the weightings of the product groups have been adjusted for the new index series 2017=100. This was done by recalculating the average consumption expenditure by households in 2015 according to price levels of 2017. The weights differ between the islands.

## Quality of the results?

### Accuracy

The accuracy and representativeness of the CPI are guaranteed by the large and varied number of products surveyed monthly through different sales channels. The degree of accuracy cannot be calculated, however. The accuracy of price developments in each product group is generally lower than that of the total consumption package. Survey response is higher than 95 percent.

Inaccuracies can arise in various stages of the production process:

- sampling the respondents;
- selecting the representative items and estimating quality differences;
- errors during price observation;
- determining weighting factors;

as a result of non-response.

### Sequential comparability

Where possible, price developments are measured based on prices observed at the same respondent in two successive quarters.

### Quality strategy

The data are checked for internal consistency and completeness. Where necessary action is taken to verify data. Once the data have been approved, the calculation of the price indices takes place, and the results are checked and validated. The validation of the results is done by a different person than the one that compiles the figures.